

REAL ESTATE

Real estate firms turning to digital, personal touches to compete for buyers

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New York is important in luxury real estate. Image credit: Douglas Elliman

By SARAH RAMIREZ

NEW YORK – As high-end real estate brokerages compete to attract prosperous sellers and buyers, many are looking for ways to personalize and enhance customer experiences through digital technologies.

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From better curating properties to selling lifestyles, real estate companies are working to rise to the challenge. During a panel at Luxury FirstLook 2019 on Jan. 16, a group of speakers shared how they are responding to changing real estate buyers and sellers.

“It’s an exciting time to be in high-end real estate,” said Stephanie Anton, president of **Luxury Portfolio International**, Chicago. “Real estate chases the consumer [and] we’re finding this is a very sophisticated, very global, very world-wise consumer.

“The world is changing, and the consumer is changing,” she said. “[But] our industry is a little behind the times.”

Luxury Daily produced Luxury FirstLook 2019: Digital Acceleration

Real estate marketing

In a conversation moderated by Mickey Alam Khan, editor in chief at *Luxury Daily*, experts agreed that real estate is different from other luxury sectors because properties are more often than not the most expensive purchase someone will ever make.

However, today’s high-net-worth-individuals now expect transactions to be completed fairly quickly and at times will even prioritize certain property features over location when looking for a second or third home.

Concierge Auctions CEO Laura Brady revealed that a significant number of buyers purchase homes sight unseen, instead relying on photographs and videos provided as well as their own real estate agents.

The platform sells properties priced at \$50 million and above through mobile application bidding. Because of the company’s growth, sellers do not pay Concierge Auctions upfront fees and homes are marketed on spec.

Ms. Brady explained that Concierge Auctions uses virtual reality and other technologies to help distant clients

experience properties for themselves.

“Clients are still relying on expertise and personal touch, even if it's not in-person,” Ms. Brady said.

Douglas Elliman develops organic marketing plans that look ahead up to seven years, particularly when working with developers. The firm also has partnerships with luxury brands to get the attention of affluent consumers.

Speaking specifically about the New York real estate market, Andrew Wachtfogel, senior vice president of research and analytics at [Douglas Elliman](#) Development Marketing, explained that view and location remain paramount.

However, many prospective Manhattan buyers are also expanding their horizons and looking beyond the Upper East Side and Midtown. Douglas Elliman also works with developers to find retail tenants that HNW buyers would be interested in and enlists designers to create luxurious spaces.

Luxury Portfolio's Ms. Anton also noted that some newer luxury properties are limiting the use of technology in the physical space to help buyers disconnect and look at their homes as true retreats.

Industry challenges

As real estate professionals work to keep buyers interested in ultra-luxury properties, they also have to contend with a changing market.

One of the most important markets in the United States has been facing some challenges.

Luxury real estate sales in New York's Manhattan borough saw a 25 percent drop off in the fourth quarter of 2018 from their high in the fourth quarter of 2015, according to residential brokerage firm Stribling & Associates.

Reviewing measures including sales, contracts and inventory levels, Manhattan experienced its worst fourth quarter since 2012 when a “fiscal cliff” was dominating economic news. The borough's high-end real estate market has seen a cooldown for some time ([see story](#)).

The luxury real estate market could also be impacted after the Federal Reserve raising interest rates four times in 2018, most recently in December.

Raising rates is usually seen as sign of confidence in a strong economy, though many – including United States President Donald Trump – have argued that interest rates are increasing too quickly. There are also indications the Fed is planning at least two more rate hikes in 2019, further impacting affluents looking to purchase property ([see story](#)).

“Buyers are out there, but are taking longer to make a decision,” Douglas Elliman's Mr. Wachtfogel said. “Our biggest goal is to give people an assurance.”